University of Massachusetts Amherst

University Relations and Advancement Council

November 9, 2023

Meeting Minutes

Attendees: **P. Baillargeon (Chair), M. Carlyon, J. Clark, S. Fitzgerald, F. Iradukunda, R.-E. Verock, G. Weaver,**

Apologies: **T. Paik, O. Parkash Dhankher, J. Smith**

1. Meeting called to order at 4:06 p.m. Meeting is on Zoom exclusively due to a demonstration blocking access to the Whitmore Building.
2. **Matthew Carlyon,** Vice President of Development at the UMass Amherst Foundation, introduces himself to the newcomers to the Council. He Gives an overview of the transition from the former University Advancement division to the UMass Amherst Foundation: May 1st was the date at which were formally notified all the colleagues in what we called the Division of Advancement. The unit that helps go out and raise money and private support as well as doing alumni relations, marketing, and communications as it relates to celebrating donors and the support that they provide.

- Due to legal and compliance reasons the structural change had to be initiated. There were no other reason or factors motivating this major change. The former Chancellor was very reluctant to go through the trials and tribulations of this reorganization. Nobody expected this process to be so significant and would be requiring transferring every employee or every position. But to ensure compliance with the law, it became very difficult not to transition every advancement employee who was also a state employee.

- On May 1st, 2023, all advancement employees received an offer to transition their position over to the Foundation. Advancement employees would no longer be state employees, so no longer able to be enrolled in the state pension or in the state health benefits. The new Foundation employees would receive terrific benefits, health benefits and a 401K plan. Some advancement employees chose not to follow their position over to the Foundation. As part of the bargaining that Chancellor Subbaswamy was able to negotiate with the unions, there will is a two-year guarantee for state employees to remain state employees and to receive prioritization for open positions across campus, particularly staff positions. Every employee who chose to follow their position over to the Foundation is there today, doing well and very happy. All the Advancement colleagues who chose to stay as state employees have new jobs in the university and were able to remain state employees.

- The former Advancement division had about 80 state employees, 50 of them transitioned over to the Foundation, and out of the remaining 30, 10 of them left the University finding new jobs elsewhere and 20 found new positions within the University.

- Initially there was a perception that not that many state employees would accept to go through the transition. But the final numbers were much higher than anticipated with more than 60% of state employees agreeing to make the transition to the Foundation.

- Communication with colleagues during the transition period proved to be challenging, especially in the light of the unions' rhetoric characterizing the Foundation. The transition proved to get smoother once the Foundation was able to communicate with employees about salaries, the 401K retirement plan, and benefits.

- The sole purpose of the Foundation is to help increase private support on behalf of the University of Massachusetts. In New England we have the University of Connecticut Foundation, the University of Rhodes Island Foundation, the University of New Hampshire Foundation, the University of Maine Foundation, the University of Vermont Foundation. Every one of those State Universities, those flagship universities in New England all have an advancement division employed by a Foundation. The only exception in New England was UMass Amherst.

3. **Matthew Carlyon,** Vice President of Development at the UMass Amherst Foundation, Gives an overview of the current situation at the Foundation. The Foundation went from 100 employees before the pandemic to about 80 at this moment. The budget of the Foundation has been approved for 130 full time employees. The Foundation feels like startup company, and there are some very key positions that are still vacant. For example, the position of head of a unit called Advancement Services, which manages the database, gift processing, computer systems and making sure everything works behind the scenes is vacant. Many critically important positions are still vacant. There is also a critical need to fill staff positions because of the upcoming fundraising campaign. Initially, the advancement leadership did not know if new employees should be hired as state employees or should be hired as Foundation employees. The growth plan for the Foundation is to get to 160 full time employees.

- There are over 300,000 alumni of UMass Amherst. Of those 300,000 alumni, 30,000 could make what is called a major gift commitment, or a gift of about $50,000 or more in support of the university. Of those 30,000, only 3000 are currently being actively managed. And this is because we only have 30 gift officers or frontline fundraisers. An average fundraiser manages about 100 of what is called prospective donors. For every dollar you invest into this fundraising arm, one gets $5 in return. The $5 we get in return is restricted, meaning it is not money that the Chancellor of the Dean or the department Chair can spend however they want. This capital is restricted to supporting student scholarship or to support faculty excellence or particular programs. Nonetheless, the Foundation is a revenue generator for the University that can operate with a lot less red tape than the former Advancement division.

- The University of Massachusetts is a tax-exempt entity. It's a different type of tax-exempt entity versus a 501(c)(3). The UMass Amherst Foundation is a 501(c)(3). If one you were to make a charitable gift to his or her alma mater, wherever they may be within the United States, one should be making checks payable to the name of the University Foundation, because there are

different tax implications associated with that gift. The Foundation does not give tax advice, so it is truly up to the donors. This is a significant and meaningful change, and since this summer all donations from people who want to support UMass Amherst make their checks payable to the UMass Amherst Foundation.

4. **Matthew Carlyon,** Vice President of Development at the UMass Amherst Foundation, Gives an overview of the current situation of capital campaign. Because we have a new Chancellor, we could extend the campaign meaning ending the campaign later and instead of trying to raise 600 million, we have surpassed $400 million thus far, we could potentially raise a billion dollars. With those 300,000 alumni we could significantly increase the amount of private support that we have received. Historically, we have been raising around $40 to $50 million a year. Over the last four years, our average amount was raised to $75 million. Last year we raised $80 million. The year before we raised $128 million. And really, to do a billion-dollar campaign, you need to be raising at a minimum $100 million a year. To raise $100 million a year, the Foundation needs about 15 to 20 additional fundraisers. Each of those fundraisers will be required to raise on a year-to-year basis a minimum of $2,000,000 apiece. In some cases, the individual fundraising goals can be more than $5 million. It is simply a numbers game and UMass Amherst has the donor base and the potential donor pool to realize at a minimum $100 million a year or $150 million a year, which is what some lower ranked state universities manage to bring in. UMass Amherst is a top thirty public research University with an important alumni base located in one of the wealthiest states in the nation. There is no question that UMass Amherst can get to a billion-dollar campaign.

- In the light of the latest developments in Israel and concerns voiced by the student body about the University's association with certain problematic corporations playing key roles in the present geo-political conflicts, the Foundation wants to assure the faculty that it will never solicit or accept donations made in the name of the University from donors who have fallen in disrepute or would tarnish the reputation of this great university.

- Chancellor Reyes as the same dynamism as Chancellor Subbaswamy in terms of fundraising aptitude. He is fulfilling his commitment to meet with 100 donors in 100 days and proves to be an extremely fast learner. The fundraising staff is having problems keeping up with him.

5. Meeting adjourned at 4:59 p.m.